

BEFORE THE ARIZONA CORPORATION COMMISSION

² COMMISSIONERS

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SUSAN BITTER SMITH - Chairman BOB STUMP BOB BURNS DOUG LITTLE TOM FORESE Arizona Corporation Commission DOCKETED

APR 23 2015

DOCKETED BY

IN THE MATTER OF THE APPLICATION OF LIGHTYEAR NETWORK SOLUTIONS, LLC FOR APPROVAL TO CANCEL ITS CERTIFICATE OF CONVENIENCE AND NECESSITY.

DOCKET NO. T-04229A-14-0092 DOCKET NO. T-03864A-14-0092

DECISION NO. 75036

ORDER

Open Meeting

April 14 and 15, 2015 Phoenix, Arizona

BY THE COMMISSION:

Having considered the entire record herein and being fully advised in the premises, the Arizona Corporation Commission ("Commission") finds, concludes, and orders that:

FINDINGS OF FACT

- 1. On December 3, 2004, the Commission issued Decision No. 67435 granting Lightyear Network Solutions, LLC ("LNS" or "Company") a Certificate of Convenience and Necessity ("CC&N") to provide competitive facilities-based and resold local exchange and interexchange services within the State of Arizona. The Decision also ordered LNS to procure and docket proof of a \$235,000 performance bond.
- 2. On December 5, 2006, the Commission issued Decision No. 69171 wherein the facilities-based long distance portion of LNS' CC&N was canceled and, as a result, LNS' performance bond requirement was reduced to \$135,000.
- 3. On May 16, 2008, the Commission issued Decision No. 70342 in which the facilities-based and resold local exchange portions of LNS' CC&N were canceled as well as the remaining \$135,000 performance bond requirement. However, LNS retained its authority to provide resold long distance service and the Decision ordered LNS to maintain a \$10,000 irrevocable sight draft letter of

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credit ("ISDLOC") until further order of the Commission.

- 4. LNS transferred all of its assets and customers to Ionex Communications North, Inc. d/b/a Birch Communications, Inc. ("Birch") and the Commission was notified of the transaction by letter dated February 23, 2014.¹
- 5. On March 18, 2014, LNS filed an Application with the Commission requesting immediate cancellation of its remaining resold long distance CC&N.
- 6. On February 10, 2015, the Commission's Utilities Division ("Staff") filed a Staff Report in this matter recommending approval of LNS' application to cancel its CC&N. Staff also recommended the cancellation of LNS' tariff that is on file with the Commission.
- 7. Staff states LNS was sold to Birch on September 7, 2013. LNS' Custodian of Records stated the Company dissolved in December 2013 and no longer exists as a legal entity.
- 8. On February 26, 2014, Birch filed a letter to advise the Commission of the transfer of customers from LNS to Birch. Subsequently, Birch requested the Commission grant a waiver of the A.A.C. R14-2-1904 et. seq., or the "Slamming Rules."
- 9. A.A.C. R14-2-1107(A)(2) requires that an application to discontinue service include verification that all affected customers have been notified of the proposed discontinuance or abandonment. A.A.C. R14-2-1107(B) requires a competitive telecommunications provider to publish legal notice of its application to discontinue service in all counties affected by its application within 20 days after filing the application. LNS did not publish the requisite notice. On October 23, 2013, in compliance with the Federal Communications Commission's ("FCC") Customer notification rule, Birch notified LNS customers of its acquisition of LNS' telecommunications services. Decision No. 74778 (October 24, 2014) approved Birch's request for a waiver of the Slamming Rules that may be inconsistent with the FCC's rules regarding the transfer of customer bases.

DECISION NO. 75036

¹ See IN THE MATTER OF THE APPLICATION OF IONEX COMMUNICATIONS NORTH, INC. D/B/A BIRCH COMMUNICATIONS FOR APPROVAL OF THE TRANSFER OF CUSTOMERS FROM LIGHTYEAR NETWORK SOLUTIONS, LLC, ERNEST COMMUNICATIONS, INC., AND COVISTA, INC., Docket Nos. T-03864A-14-0073, T-04229A-14-0073, T-03631A-14-0073, and T-03490A-14-0073.

| 1 | 10. According to Staff, LNS indicated that upon approval of this Application, the | | |
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| 2 | ISDLOC should be returned to the following name and address: | | |
| 3 4 5 | Mr. Steve Lochmueller Custodian of Records Lightyear Network Solutions, LLC P.O. Box 22889 Lexington, KY 40522 | | |
| 6 | 11. According to the Commission's Consumer Services Section, zero complaints, | | |
| 7 | inquiries, or opinions were filed against LNS for the time period of January 1, 2011 through March | | |
| 8 | 31, 2014. | | |
| 9 | 12. The Commission's Compliance Section reports there are no current compliance | | |
| 10 | delinquencies for LNS. Per the Staff Report, LNS filed a Certificate of Cancellation of Foreign LLC | | |
| 11 | Registration on March 3, 2014. | | |
| 12 | 13. Staff's recommendation for approval of LNS' application to cancel its CC&N to | | |
| 13 | provide resold long distance telecommunications services is reasonable and should be adopted. | | |
| 14 | CONCLUSIONS OF LAW | | |
| 15 | 1. Lightyear Network Solutions, LLC is a public service corporation within the meaning | | |
| 16 | of Article XV of the Arizona Constitution and A.R.S. §§ 40-281 and 40-282. | | |
| 17 | 2. The Commission has jurisdiction over Lightyear Network Solutions, LLC and the | | |
| 18 | subject matter of the application. | | |
| 19 | 3. The cancellation of Lightyear Network Solutions, LLC's CC&N is in the public | | |
| 20 | interest. | | |
| 21 | 4. Staff's recommendations are reasonable and should be adopted. | | |
| 22 | <u>ORDER</u> | | |
| 23 | IT IS THEREFORE ORDERED that the application of Lightyear Network Solutions, LLC for | | |
| 24 | the cancellation of its Certificate of Convenience and Necessity to provide resold long distance | | |
| 25 | telecommunications services in Arizona shall be, and is hereby, approved, and the Certificate of | | |
| 26 | Convenience and Necessity is canceled. | | |
| 27 | IT IS FURTHER ORDERED that Lightyear Network Solutions, LLC's telecommunications | | |
| 28 | services tariff on file with the Commission is hereby canceled. | | |

| 1 | IT IS FURTHER ORDERED that Lightyear Network Solutions, LLC may cancel, rescind | | |
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| 2 | discontinue and be released from any performance bond, irrevocable sight draft letter of credit or | | |
| 3 | other instrument obtained in compliance with the \$10,000 performance bond or irrevocable sight | | |
| 4 | draft letter of credit requirement set by Decision No. 70342. | | |
| 5 | IT IS FURTHER ORDERED that the \$10,000 irrevocable sight draft letter of credit on file | | |
| 6 | with the Commission on behalf of Lightyear Network Solutions, LLC be returned to the following | | |
| 7 | name and address provided by the Company: | | |
| 8 | Mr. Steve Lochmueller | | |
| 9 | Custodian of Records Lightyear Network Solutions, LLC | | |
| 10 | P.Ö. Box 22889 Lexington, KY 40522 | | |
| 11 | IT IS FURTHER ORDERED that this Decision shall become effective immediately. | | |
| 12 | BY ORDER OF THE ARIZONA CORPORATION COMMISSION. | | |
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| 14 | CHARMAN COMMISSIONED | | |
| 15 | COMMISSIONER | | |
| 16 | COMMISSIONER COMMISSIONER COMMISSIONER | | |
| 17 | COMMISSIONER / COMMISSIONER | | |
| 18 | IN WITNESS WHEREOF I JODI JEDICH Evecutive | | |
| 19 | Director of the Arizona Corporation Commission have | | |
| 20 | hereunto set my hand and caused the official seal of the Commission to be affixed at the Capitol, in the City of Phoenix, this | | |
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| 24 | JODI JERICH EXECUTIVE DIRECTOR | | |
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| 26] | DISSENT | | |
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| 1 | SERVICE LIST FOR: | LIGHTYEAR NETWORK SOLUTIONS, LLC | |
| 2 | DOCKET NOS.: | T-04229A-14-0092 AND T-03864A-14-0092 | |
| 3 | | | |
| 4 | Robin Norton Consultant to Lightyear Network Solutions, LLC 2600 Maitland Center Parkway, Suite 300 Maitland FL 32751 | | |
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| 6 | Janice Alward, Chief Counsel | | |
| 7 | Legal Division ARIZONA CORPORATION COMMISSIO | ON | |
| 8 | 1200 West Washington Street Phoenix, AZ 85007 | | |
| 9 | Steven Olea, Director Utilities Division | | |
| 10 | ARIZONA CORPORATION COMMISSIC | ON | |
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